

## **Rural Prosperity Fund**

*Improving competitiveness of rural communities for job opportunities*

### **Purpose:**

The purpose of the fund is to provide a unique tool available only in the 40 most economically distressed counties designed specifically to improve the competitiveness of rural communities for companies considering multiple locations.

### **Program Guidelines:**

The newly created program will have an appropriation (or cap) focused solely on competitive job creation projects in the 40 most economically distressed (or Tier 1 counties) that is distinct from other economic development incentive programs.

The fund will provide up to \$10,000 per job over three- to five-year period, with the creation of full-time positions with an average annual wage of at least 90% of the county average and at least 50% of health insurance paid by the company.

For example, a 100-job project with wages at the county average considering one of 40 most economically distressed (or Tier 1) counties could receive up to \$1 million, assuming local participation (similar to the amount of a JDIG award for project with these parameters).

Local participation in a manner appropriate to the project is required, but there is no local match.

### **Funding Requirements:**

The estimated amount needed for appropriation (or cap) would be approximately \$10-15 million, based on projects utilizing One NCs in Tier 1 counties over last two fiscal years.

## **Rural Competitiveness Initiative**

*Improving access and availability to jobs and employment*

### **Purpose:**

Building on the General Assembly's 2016 Disaster Recovery Act, the Department of Commerce will partner with communities on resiliency planning to improve access to jobs, as measured by increases in employment, income and workforce readiness.

It will be a long-term, ongoing effort with consistent support provided to communities for as long as the communities continue to be active and engaged participants in the Initiative's process.

The Rural Competitiveness Initiative will work to spur sustainable economic success in North Carolina's rural counties by bringing together Commerce's economic-, workforce-, and community-development resources – in concert with the state's infrastructure resources in Transportation, Natural & Cultural Resources, and Environmental Quality – and the community leadership they serve. Through this comprehensive and holistic approach, the Department will build achievable strategies for long-term economic vitality – including a sound business climate, a skilled workforce and an attractive and prepared community.

### **Goal:**

The goal of this initiative is to increase the availability and accessibility of employment and jobs throughout North Carolina, leading to higher personal incomes and greater community wealth.

### **Strategy and Process:**

1. LEAD Designated Labor Market Areas, either in their entirety or subset counties with a shared labor market, apply to participate in the program. Eligible applicants include a Labor Market Area where the majority of counties have no more than seventy percent of its population included in an urbanized area. An urbanized area, as defined by the US Census Bureau, is one in which the majority of the population is in urban core census tracts (>1,000 persons/sq mi) or adjacent tracts (500 persons/sq mi) with at least 50,000 residents in total (86 counties).
2. Applicants must include designated regional leaders (e.g. business leaders, elected officials, non-profit leaders, etc.) committed to providing support for Labor Market Area Action Plan recommendations. A cohort of approximately 10 Designated Labor Market Areas will be inducted each year. Selections will be balanced geographically across the state, as much as possible.
3. Selected Labor Market Areas will sign a MOU with the Rural Competitiveness team and will follow the Main Street + Rural Planning Strategic Economic Development Planning Outline.

4. The Rural Competitiveness team will gather all other strategies completed for the Labor Market Area including CEDS, Resiliency Plans, and other adopted local or regional strategic plans.
5. Other state agencies including the Departments of Natural and Cultural Resources, Environmental Quality and Transportation will also be consulted for recommendations of support and assistance.
6. Information from past plans will be combined with objective data developed by LEAD to develop a regional SWOT (strengths, weaknesses, opportunities and threats) analysis. In addition, key regional employment trends, will be identified, focused on commuting patterns and employment centers, instead of political geographies.
7. Labor Market Areas will receive hands-on, technical assistance to bring together regional leaders in economic, workforce, and community development for strategic planning sessions to develop action plans. This includes responsible parties, a timeline for completion and metrics to measure success. Metrics include information on new businesses, jobs, investment, etc. The Labor Market Area Action Plan will be completed in no more than six months.
8. Each year, the Department will host several required regional training sessions to focus on updating and implementing active Labor Market Area Action Plans and all regional communities will be required to attend to remain in the program.
9. Active members of the program will receive priority in all Commerce programs that support action plan items.

### **Funding Requirements:**

In order to provide intensive support for each year's cohort of new areas/counties, a total of five full-time employees will be dedicated to this phase of the program. In order to provide ongoing support for areas/counties continuing to update and implement their action plans, a total of five people will be need to be dedicated to this phase of the program.

For these 10 positions, plus benefits and overhead expenses, to include extensive travel throughout the state, would require a recurring appropriation of approximately \$2 million.

These positions will not replace, but will work in concert with the existing strategic planning capacity of the Main Street + Rural Planning Center which will continue to focus on downtown redevelopment through the Main Street Program and providing strategic planning services to underserved rural towns, cities or counties through its Prosperity Zone planners located across the state. These services will be provided with the specific focus on how they can coordinate with and plug into the Labor Market Area Action Plan recommendations, where possible.

## **Governor's Budget Recommendations**

Many of the elements of a strategy to support rural communities prepare and compete for economic development opportunities are reflected in the Governor's budget proposals including:

- **NC Ready Sites** (\$30M-NR + \$10M from Utility Account): Establishes program to provide support to local governments with investments in public infrastructure (water, sewer, etc.) for publicly-owned sites of at least 50 acres to prepare them for economic development opportunities.
- **Site Development Fund** (\$20M-NR): Provides funding to existing program that supports site acquisition and onsite preparation essential to attracting large manufacturing operations.
- **Community Innovation Fund** (\$3M-NR): Provides competitive grants to local governments to assist micropolitan communities with building infrastructure to encourage a knowledge and innovation-based economy.
- **Main Street Solutions** (\$5M-NR): Provides matching grants to local governments to assist with efforts to revitalize downtown areas.
- **Building Reuse** (\$5M-NR): Provides grants to local governments to assist with renovations of vacant buildings.
- **NC Online** (\$20M-NR): Provides support to local governments for planning and construction of broadband infrastructure.

EDPNC Working Group

Existing Business Expansion Summit

## Natural Resources Marketing Program

Atlantic Coast Pipeline



N.C. Railroad Co.  
N.C. Ports  
Global TransPark

\$3 Infrastructure Bond Financing

\$1 billion School Infrastructure Bonds

Expand Medicaid

